

A Study on Marketing Strategies of Garment Industry with Special Reference to Tirupur

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ABSTRACT

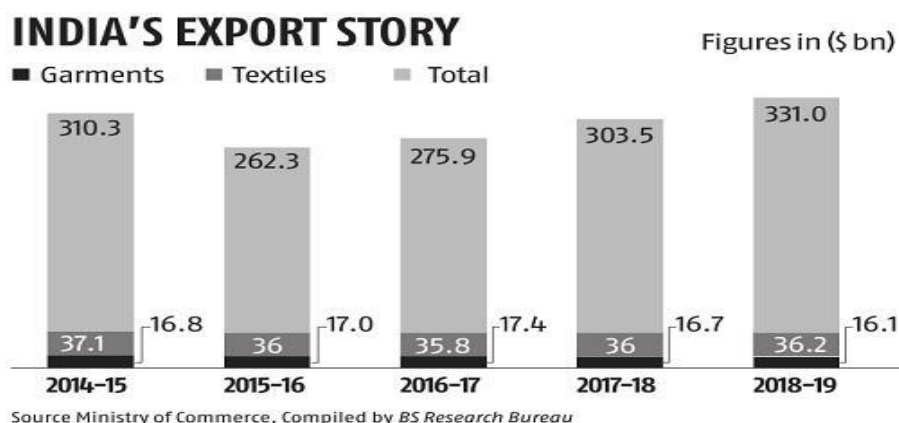
Tiruppur is also known as the knitwear capital of India, accounting for 90% of India's cotton knitwear export. It contributes to a huge amount of foreign exchange in India. The exporters have to equip themselves with complete knowledge of international marketing channels to sustain in garment business. Careful planning of market entry and allocation of managerial and financial resources, innovation have the ability to reduce the uncertainty of the business. The present aims to analyze the marketing strategies of garment industry with special reference to Tiruppur.

Keywords: Garment, Pricing, Strategy and Techniques

INTRODUCTION

Tiruppur, popularly known as the "Dollar City" of the south has come a long way, from a small cotton marketing centre

with a few ginning factories, to become a prominent cluster of small manufacturing enterprises gainfully engaged in the production and export of wide range of knitted apparel. Tiruppur is also known as the knitwear capital of India, accounting for 90% of India's cotton knitwear export. It contributes to a huge amount of foreign exchange in India. It directly concerned with the end users and it also meets the basic needs of the people and operates in highly competitive and complex environment with rapid changes. The Tiruppur Garment Industry has facing many problems in promoting their business in the area of infrastructure facilities, competition, Cost control, Design Up gradation, Marketing Strategies, Trade promotion, Government policies, Qualities Management and Pollution Control Measures.



MARKETING STRATEGIES

- Product Diversification
- Product Planning and Development
- Product Line Extension
- Market Diversification
- Branding Strategy
- Packaging Strategies
- Distribution Strategies
- Promotion and Pricing Strategies

Objectives of the Study:-

1. To ascertain the commitment of the government to promote the garment industry.
2. To identify the proposed areas of marketing strategies to be strengthened for export development.
3. To analyze the various problems faced by garment exporters.

RESEARCH METHODOLOGY

Both primary and secondary data were used for the study. The primary data has been collected through Questionnaires. The Secondary data has been collected from various Journals, Reports, and Books of Apparel Export Promotion Council. Convenient sampling technique has been used to extract the Sample size of 50. In order to analyse the significance between the variables the tests namely Chi-Square Analysis and Analysis of Variance were applied in the study.

REVIEW OF LITERATURE

Panthaki (2000) in the article titled "An Overview of Market for the Children

wear" stated that the knitwear sector has been innovative and despite restraints on its expansion, continues to add value to its products by changes in design, style and colour combinations. Satish Kurana (2000) in his article entitled that the share of knitted garment in India's total garment exports continues to raise and it is primarily due to rapid developments that have taken place in Tiruppur knitwear industry. Rao (1993) in his paper on promotion of International Trade in Asia-Pacific region expressed that the combined strength of China and Hong Kong in knitted garments would be more challenging for India as the total value of their garment exports and the total share in major garment markets of developed and developing countries far surpass India's strengths.

Sakthivel, (2000) there is a fluctuating trend in the unit value realization of exports from Tiruppur and also the high value knitted silk garments from India could soon hit the shelves of fashion boutique across the globe. There are demands for knitted silk garments and Silk T-shirts

ANALYSIS

		Frequency	Percent	Cumulative Percent
Experience	Less than 5 Years	11	22.0	22.0
	5-10 Years	10	20.0	42.0
	11-15 Years	21	42.0	84.0
	Above 15 years	8	16.0	100.0
	Total	50	100.0	
Status	Sole Proprietorship	15	30.0	30.0
	Partnership	25	50.0	80.0
	Private Ltd	10	20.0	100.0
	Total	50	100.0	
Investment	Owned Capital	12	24.0	24.0
	Borrowed Capital	38	76.0	100.0
	Total	50	100.0	
Source of Borrowings	Friends & Relatives	7	14.0	14.0
	Bank Loan	20	40.0	54.0
	Money Lenders	13	26.0	80.0
	Financial Institution	10	20.0	100.0
	Total	50	100.0	
Communication	Direct visit	16	32.0	32.0
	Agents	13	26.0	58.0
	E-Mail	21	42.0	100.0
	Total	50	100.0	
Research Program	Produce Product with Buyers Preference	6	12.0	12.0
	Innovation	8	16.0	28.0
	Improve the Quality of Existing Product	27	54.0	82.0
	Cost Effectiveness	9	18.0	100.0
	Total	50	100.0	

The above table reveals that 42% of the respondents experience is 11-15 years, 50% of the respondents status of business is partnership concern, 76% of the respondents source of invest is borrowed capital & 40% of the respondents avail borrowed capital through bank loan, 42% of the respondents communicate their business information through Electronic Mail and 54% of the business concern motivate research and development to improve the quality of Existing product.

Motivation for setting up the unit:

	Frequency	Percent	Cumulative Percent
Profits	10	20.0	20.0
Absence of competition	5	10.0	30.0
Guidance from family	7	14.0	44.0
Self-urge	15	30.0	74.0
Facility of finance	13	26.0	100.0
Total	50	100.0	

Motivation is a key factor in success of any business. Self-Urge and Facility of finance plays a vital role in setting up a garment unit.

Buyers' Expectation

		Frequency	Percent	Cumulative Percent
Buyers Expectation	Quality	23	46.0	46.0
	Quantity	17	34.0	80.0
	Affordable Pricing	10	20.0	100.0
	Total	50	100.0	

The above table reveals that majority (46%) of buyers expect quality in the product.

Reasons for Choosing the Location

		Frequency	Percent	Cumulative Percent
Reason	Suitable climate	5	10.0	10.0
	Family business	8	16.0	26.0
	Availability of Basic Infrastructure	9	18.0	44.0
	Industrial clusters/Areas	7	14.0	58.0
	Availability of Work Force	15	30.0	88.0
	Availability of Raw material	6	12.0	100.0
	Total	50	100.0	

The above table depicts that availability of work force is the major reason for choosing a location for the business.

Reasons for use of Eco-Friendly Products

		Frequency	Percent	Cumulative Percent
Eco-Friendly	To Promote Business	10	20.0	20.0
	Preserve the Community Well Being	17	34.0	54.0
	Buyers Requirement	16	32.0	86.0
	Corporate Social Responsibility	7	14.0	100.0
	Total	50	100.0	

The above table reveals that 34% of the respondents use Eco-Friendly Products to preserve the community wellbeing. 32% of the respondents use the Eco friendly products to satisfy the buyer's requirement. 20% of the respondents to promote business and 14% of the respondents to maintain corporate social responsibility.

Factors Influencing Price

		Frequency	Percent	Cumulative Percent
Influencing price	Competition	5	10.0	10.0
	Cost of Raw materials	16	32.0	42.0
	Demand & Supply	22	44.0	86.0
	Tariff & Non-Tariff Measures	7	14.0	100.0
	Total	50	100.0	

The above table depicts that 44% of the respondent's opinion is demand & supply plays a key role in influencing the price. 32% of the respondents opinion is cost of raw material, 14% of the respondent's opinion is tariff & non-tariff measures and 10% of the respondent's opinion is competition.

Direct Marketing Techniques

		Frequency	Percent	Cumulative Percent
Direct Marketing Techniques	Trade Fair	16	32.0	32.0
	Online Marketing	12	24.0	56.0
	Direct Meet	22	44.0	100.0
	Total	50	100.0	

The above table depicts that direct meeting with buyers and sharing the wellness of the products enrich the business of the organization.

Promotional Measures

S.No	Factors	Extremely Important	Very Important	Important	Least Important	Not at all	Total Points	Rank
1	Duty Free packing material	60	48	30	14	9	161	V
2	Improved Container facility	100	36	30	14	4	184	I
3	Support From Association	65	48	15	30	5	163	IV
4	Fair treatment by excise official	25	32	21	40	10	128	VIII
5	Export Friendly Union Budget	70	36	39	16	6	167	III
6	Improved Infrastructure	35	52	27	12	15	141	VI
7	Improved Training facility	80	40	30	20	4	174	II
8	Reasonable & steady yarn price	20	44	30	24	13	131	VII

The above table depicts that first rank is assigned to improved customer facility, the least ranks seventh and eighth assigned to reasonable and steady yarn price and fair treatment by excise official. The government should take effective steps to maintain a yarn price and smooth relationship with excise officials. Export friendly union budget and support from various associations motivate the garment exporters to step into a business ladder.

Risk Associated with the Export of Garments

S.No	Risk	Strongly Agree	Agree	Neutral	Strongly Disagree	Disagree	Total Points	Rank
1	Non acceptance of goods by the buyers	75	40	45	14	3	177	I
2	Changes in Exchange Rates	40	32	42	26	7	147	VI
3	Quality	50	28	45	16	10	149	V
4	Foreign Exchange Fluctuations	60	48	30	14	9	161	IV
5	Customs formalities related problems	70	44	33	16	6	169	II
6	Changes in Foreign Market Characteristics	35	32	27	30	11	135	VII
7	Domestic policies of the Government	55	48	36	20	5	164	III

The above table visualizes the major risks associated with export of garments among them non acceptance of the goods by the buyers plays a vital role that affects the business.

CHI-SQUARE TEST

Ho: There is no relationship between Reasons for use of Eco-Friendly Products Vs Experience Ha: There is a relationship between Reasons for use of Eco-Friendly Products Vs Experience

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	11.992 ^a	9	.214
Likelihood Ratio	15.747	9	.072
Linear-by-Linear Association	2.371	1	.124
N of Valid Cases	50		

The above table clearly shows that the significant value (p value) is more than 0.05 (p > 0.05). So there is no relationship

between Reasons for use of Eco-Friendly Products Vs. Experience.

ANALYSIS OF VARIANCE

- 1) Ho: There is no relationship between Direct Marketing Technique and Experience
 Ha: There is a relationship between Direct Marketing Technique and Experience

ANOVA					
Direct Marketing Techniques					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3.581	3	1.194	1.630	.195
Within Groups	33.699	46	.733		
Total	37.280	49			

The above table clearly shows that the significant value (p value) is more than 0.05(p > 0.05). So there is no relationship between Direct Marketing Technique and Experience.

- 2) Ho: There is no relationship between Direct Marketing Technique and Investment
 Ha: There is a relationship between Direct Marketing Technique and Investment

ANOVA					
Direct Marketing Techniques					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.719	1	.719	.943	.336
Within Groups	36.561	48	.762		
Total	37.280	49			

The above table clearly shows that the significant value (p value) is more than 0.05(p > 0.05). So there is no relationship between Direct Marketing Technique and Investment.

Suggestion

- The garment exporters have to equip themselves with complete knowledge of marketing channels, quality control and competitive pricing in order to sustain in the field.
- The exporter should concentrate on corporate social responsibility, Vertical and Backward Integration.
- Strong garment associations have to be established to benefit the manufactures and the exporters.
- The Government has to design its policies for Indian companies investing

abroad and also exchange rate policy has to be calibrated to reduce the volatility of the exchange rate.

- Exporters should concentrate on Eco labelling standards certification and forward contracts to avoid an adverse impact of currency fluctuations.

CONCLUSION

In an increasingly globalized world, excellence and competitiveness have held the key for the survival of any sector. Careful planning of market entry and allocation of managerial and financial resources, innovation have the ability to reduce the uncertainty of the garment industry. In the competitive world exporters have to be alert to the developments and seize the opportunities to enjoy a competitive edge in the international scene and to achieve the desired results both the industry and the policymakers have to work together in unison.

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